

ARTICLES OF INCORPORATION
OF
AMBERWOOD MANOR ASSOCIATION

The undersigned hereby voluntarily sets forth the following statements for the purpose of forming a nonprofit corporation under and pursuant to the laws of the State of Arizona, and for that purpose hereby adopts these Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation is AMBERWOOD MANOR ASSOCIATION, hereinafter called the "Association."

ARTICLE II

KNOWN PLACE OF BUSINESS

The address of the Association's known place of business is the same as Statutory Agent's address--100 West Washington, 2100 First Interstate Bank Plaza, Phoenix, Arizona 85003.

ARTICLE III

STATUTORY AGENT

SWL Statutory Agent Services, Inc., whose address is 100 West Washington, 2100 First Interstate Bank Plaza, Phoenix, Arizona 85003, is hereby appointed the initial statutory agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed is to serve as the governing body for all of the Owners of Lots in that development known as Amberwood Manor (the "Development"); to provide for the maintenance, improvement, preservation and architectural control of the Lots and Common Area within the Development; and to promote the peace, comfort, safety and general welfare of the Owners and Occupants within the Development.

In the conduct of its business, the Association shall, to the extent authorized by its Board of Directors, have the power to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration," applicable to the Development and recorded or to be recorded in the Office of the County Recorder, Maricopa County, Arizona, as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or other governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) grant easements over, across or under all or any part of the Common Area for public utility or other public purposes;

(f) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(g) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area. Any such merger, consolidation or annexation shall have the consent of two-thirds (2/3) of each class of members.

(h) have and exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of Arizona by law may now or hereafter have or exercise.

ARTICLE V

INITIAL BUSINESS

The character of business that the Corporation initially intends to actually conduct in this state is the administration of the Lots and Common Area in the property described above.

ARTICLE VI

MEMBERSHIP

Every person or entity who is a record owner of equitable title (or legal title if equitable title has merged) in any Lot which is subject by the Declaration to assessment by the Association shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. A membership in the Association shall not be transferred, pledged or alienated in any way except by the sale of such Lot and then only to such purchaser who shall automatically become a member of the Association after such conveyance, or by intestate succession, testamentary disposition, foreclosure of a mortgage of record, or other legal process.

ARTICLE VII

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. In the event any such Lot is owned by two (2) or more persons, the membership as to such Lot shall be joint, and a single membership for such Lot shall belong to all Owners, and they shall designate to the Association in writing one of their number who shall have the power to vote said membership, and in the absence of such designation, and until such designation is made, the Board shall make such designation. In no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall

be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) three (3) years following conveyance of the first Lot to an Owner by Declarant.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board composed initially of three (3) Directors. So long as there is a Class B membership, the Directors need not be members of the Association. The number of directors may be increased or decreased to include up to nine (9) but not less than three (3) Directors by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
William W. Cleverly	4300 North Miller Road Suite 218 Scottsdale, Arizona 85251
J. Patrick Lannan	4300 North Miller Road Suite 218 Scottsdale, Arizona 85251
Erin Finley	4300 North Miller Road Suite 218 Scottsdale, Arizona 85251

At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect one-third of the total number of directors, or such number as is appropriate to maintain staggered terms for the directors, for a term of three years.

Any and all vacancies on the Board of Directors may be filled by the remaining directors and the person so chosen to fill a vacancy shall serve during the unexpired term of his predecessor or until his successor shall be elected and qualified.

ARTICLE IX

OFFICERS

The affairs of the Association shall be administered by officers elected by the Board of Directors at its first meeting, and at each successive meeting of the Board of Directors following the annual meeting of the members of the Association, or at other meetings called for such purpose, which officers shall serve at the pleasure of the Board of Directors. The officers shall consist of a President, Vice President, Secretary and Treasurer. The initial officers of the Corporation shall be:

William W. Cleverly President/Treasurer

J. Patrick Lannan Vice President/Secretary

ARTICLE X

INDEMNIFICATION

The Association shall indemnify any person against expenses, including without limitation, attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by reason of the fact that he or she is or was a director, officer, employee or agent of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, in all circumstances in which, and at the extent that, such indemnification is specifically permitted and provided for by the laws of the State of Arizona as then in effect.

ARTICLE XI

DISSOLUTION

The Association may be dissolved with the consent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, no part of the remaining assets of the Association, after the discharge of all corporate liabilities, shall inure to the private profit, benefit or advantage of any current or past member, director or officer, but the whole of such remaining assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created, or, alternatively, such assets shall be granted, conveyed and assigned to such nonprofit corporations, associations, trusts or other organizations which are exempt from taxation under the provisions of Section 501 of the Internal Revenue Code of 1954 as now or hereafter amended and which are devoted to similar purposes.

ARTICLE XII

DURATION

The corporation shall exist perpetually.

ARTICLE XIII

AMENDMENT OF ARTICLES

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE XIV

AMENDMENT OF BYLAWS

The power to amend the Bylaws of the Association is reserved to the members and shall be exercised as set forth in the Bylaws.

ARTICLE XV

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration if such agencies have approved the Development for FHA and/or VA loans: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XVI

INCORPORATORS

The name and address of the incorporator is:

NAME

ADDRESS

William W. Cleverly

4300 North Miller Road
Suite 218
Scottsdale, Arizona 85251


All powers, duties and responsibilities of the incorporator shall cease upon filing of these Articles of Incorporation by the Arizona Corporation Commission.

ARTICLE XVII

CONFLICT WITH DECLARATION

In the event any provision of this instrument is inconsistent with or more permissive than any provision of the Declaration dealing with the same subject, the Declaration shall control and this instrument shall be interpreted accordingly.

DATED this 10 day of January, 1985.

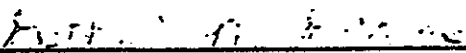


WILLIAM W. CLEVERLY
INCORPORATOR

STATE OF ARIZONA)
) ss.
County of Maricopa)

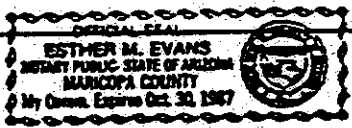
The foregoing instrument was acknowledged before me this ~~TENTH~~ day of ~~JANUARY~~, 1985, by WILLIAM W. CLEVERLY.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public

My commission expires:



in the same manner as if included in the provisions of these Bylaws.

ARTICLE XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of Amberwood Manor Association, have hereunto set our hands this 10 day of January, 1985.

William W. Cleverly
WILLIAM W. CLEVERLY

J. Patrick Lannan
J. PATRICK LANNAN

Erin Finley
ERIN FINLEY

STATE OF ARIZONA)
County of Maricopa) ss.
)

The foregoing instrument was acknowledged before me this 10th day of JANUARY, 1985, by WILLIAM W. CLEVERLY.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Kathryn M. Evans
Notary Public

My commission expires:

